

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



eSun Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 571)

**PLACING OF NEW SHARES OF
eSUN HOLDINGS LIMITED WITH WARRANTS ATTACHED
RESUMPTION OF TRADING**

eSun entered into the Placing Agreement after the close of trading on 10 December 2008 with the Placing Agent in relation to the Placing, pursuant to which the Placing Agent has agreed to procure subscribers (who are Independent Third Parties and who shall not be LSD nor parties acting in concert with LSD for the purposes of the Hong Kong Code on Takeovers and Mergers) to subscribe for 120,000,000 Placing Shares at the subscription price of HK\$0.50 per Placing Share. In addition, eSun will issue non-listed Warrants, on a 1-for-1 basis in respect of each Placing Share issued, entitling the holder of each Warrant to subscribe for one new Share, at an exercise price of HK\$0.50 at any time from the date of issue until 31 December 2011.

The Placing Shares represent approximately 8.82% of eSun's issued share capital as enlarged by the issue of the Placing Shares, but not the Warrant Shares. The net proceeds from the allotment and issue of the Placing Shares will be approximately HK\$58 million. If allotted and issued, the Warrant Shares shall represent approximately 8.10% of eSun's issued share capital as enlarged by the issue of the Warrant Shares. The net proceeds from the exercise of all of the Warrants will be approximately HK\$60 million. The proceeds from the allotment and issue of the Placing Shares and the Warrant Shares will be used to finance eSun's media and entertainment businesses and otherwise for the general working capital purposes of the eSun Group.

The Placing is fully underwritten by the Placing Agent. Completion of the Placing is subject to the satisfaction of certain conditions as described below, among others, the Stock Exchange granting listing of, and permission to deal, in the Placing Shares and the Warrant Shares. If any of these conditions are not fulfilled, the Placing will not proceed.

Trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 10 December 2008 at the request of eSun pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 12 December 2008.

The Directors are pleased to announce that after the close of trading on 10 December 2008, the parties referred to below entered into the Placing Agreement, details of which are described below.

PLACING OF 120,000,000 NEW SHARES WITH WARRANTS TO SUBSCRIBE FOR ONE NEW SHARE PER WARRANT

Placing Agreement: Dated 10 December 2008 entered into by eSun and the Placing Agent.

Details of the Placing Shares:

Placing Shares: 120,000,000 new Shares to be allotted and issued by eSun, equivalent to approximately 9.67% of the existing issued share capital of eSun and representing approximately 8.82% of the issued share capital of eSun as enlarged by the issue of the Placing Shares, but not the Warrant Shares. The Placing is fully underwritten by the Placing Agent.

Subscription price: The price of HK\$0.50 per Placing Share was determined after arm's length negotiations between eSun and the Placing Agent and represents: (i) a premium of approximately 37% to the closing price of HK\$0.365 per Share as quoted on the Stock Exchange on 10 December 2008, being the Last Dealing Date; and (ii) a premium of approximately 50% to the average closing price of approximately HK\$0.334 per Share as quoted on the Stock Exchange for the 5 trading days of the Shares immediately before and including the Last Dealing Date.

Subscribers: The Placing Shares are expected to be subscribed by not less than six institutional or professional investors who should be Independent Third Parties and who shall not be LSD nor parties acting in concert with LSD for the purposes of the Hong Kong Code on Takeovers and Mergers.

Details of the Warrants:

Warrants: 120,000,000 non-listed freely transferable warrants to be issued, on a 1-for-1 basis for each Placing Share issued, at no initial issue price, entitling the holder of each Warrant to subscribe for one new Share at any time from the date of issue of each Warrant until 31 December 2011.

Warrant Shares: For each Warrant which is exercised, eSun shall allot and issue one Warrant Share. If all of the Warrants are exercised, 120,000,000 new Shares, equivalent to approximately 8.82% of the issued share capital of eSun after the allotment and issue of the Placing Shares, and representing approximately 8.10% of the issued share capital of eSun as enlarged by the issue of the Warrant Shares, assuming there are no further changes in the issued share capital of eSun prior to such exercise. The Placing is fully underwritten by the Placing Agent.

Exercise price: The exercise price of HK\$0.50 per Warrant was determined after arm's length negotiations between eSun and the Placing Agent and represents: (i) a premium of approximately 37% to the closing price of HK\$0.365 per Share as quoted on the Stock Exchange on 10 December 2008, being the Last Dealing Date; and (ii) a premium of approximately 50% to the average closing price of approximately HK\$0.334 per Share as quoted on the Stock Exchange for the 5 trading days of the Shares immediately before and including the Last Dealing Date.

Warrantholders: The Warrants shall be granted to the subscribers of the Placing Shares on the basis of one Warrant for each Placing Share.

Other details:

Placing Agent: Chung Nam Securities Limited, a company licensed to conduct Type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance of Hong Kong, has agreed to procure subscribers or itself subscribe for the Placing Shares with Warrants attached.

The Placing Agent is an Independent Third Party. The Placing Agent will in aggregate receive an underwriting commission of 2% (with the net price to eSun being HK\$0.49 per Placing Share) of the gross proceeds of the allotment and issue of the Placing Shares.

Conditions: The Placing is conditional upon:

- (a) the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares and the Warrant Shares;
- (b) the Bermuda Monetary Authority approving the issue of the Placing Shares, the grant of the Warrants and/or the issue of the Warrant Shares (in each case, as may be required); and
- (c) the Placing Agreement not having been terminated or not having come to the attention of the Placing Agent at any time prior to completion (i) any breach of, or any event rendering untrue, inaccurate or misleading in any material respect, any of the representations, warranties or undertakings therein or (ii) any breach of, or failure to perform, any of the other obligations of eSun required to be performed at or before completion.

Termination: The Placing is subject to termination on the occurrence of any change, inter alia, in national or international, financial, political or economic conditions or currency exchange rates or exchange controls which, in the opinion of the Placing Agent, would be likely to prejudice materially the consummation of the Placing.

- Lock-up:** eSun undertakes to the Placing Agent, amongst others, that for a period of three months after the Placing Agreement, eSun will not issue, offer, lend, sell, contract to sell, pledge, grant any option (except under its employee share option scheme) to purchase or otherwise dispose of, any Shares.
- Completion:** Subject to fulfillment of the conditions, the completion of the Placing is expected to take place on 24 December 2008 (or such other date as the Placing Agent and eSun may otherwise agree). A further announcement will be made if the completion of the Placing has not taken place by 24 December 2008.
- Mandate to issue the Shares:** The Placing Shares, Warrants and the Warrant Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution of shareholders of eSun passed at eSun's annual general meeting held on 22 May 2008. Immediately prior to entering into the Placing Agreement, the maximum number of new Shares which could be issued under such general mandate was 248,146,433 (based on a total issued share capital of 1,240,732,165) and as at that time, the general mandate had not been utilised so that up to 248,146,433 new Shares could be issued by eSun.
- Ranking of the Placing Shares and the Warrant Shares:** The Placing Shares and the Warrant Shares (as the case may be) will rank pari passu in all respects with the Shares in issue at the time of allotment and issue of the Placing Shares and the Warrant Shares (as the case may be).
- Application for listing:** Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Placing Shares and the Warrant Shares on the Stock Exchange.

EFFECT ON SHAREHOLDING

The shareholding of eSun immediately before completion of the Placing, immediately after completion of the Placing and immediately after (and assuming) the exercise of all the Warrants and allotment and issue of the Warrant Shares is and will be as follows:

	Immediately before the Placing (Note 1)		Immediately after the Placing (Note 2)		Immediately after exercise of all the Warrants (Note 3)	
	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>
LSD (Note 2)	447,604,186	36.08%	447,604,186	32.89%	447,604,186	30.23%
Three Directors (Note 4)	6,986,586	0.56%	6,986,586	0.51%	6,986,586	0.47%
Other shareholders (Note 5)	786,141,393	63.37%	786,141,393	57.77%	786,141,393	53.09%
Placees of the Placing Shares	-	-	120,000,000	8.82%	120,000,000	8.10%
Warrantholders	-	-	-	-	120,000,000	8.10%
Total	1,240,732,165	100.00%	1,360,732,165	100.00%	1,480,732,165	100.00%

Notes:

- (1) *The shareholding figures are calculated on the basis of a total of 1,240,732,165 Shares in issue. The shareholding figures assume that other than the Placing Shares, no outstanding options are exercised, no new Shares are issued or no existing Shares are purchased by eSun, no Warrants are exercised and no Shares are sold or purchased by LSD or the three Directors after the date of this announcement up to the date of completion of the Placing.*
- (2) *All 447,604,186 Shares are beneficially owned by LSD through a wholly owned subsidiary.*
- (3) *The shareholding figures are calculated on the basis of a total of 1,480,732,165 Shares in issue. The shareholding figures assume that other than the Placing Shares and the Warrant Shares, no outstanding options are exercised, no new Shares are issued or no existing Shares are purchased by eSun and no Shares are sold or purchased by LSD or the three Directors after the date of this announcement up to the date of exercise of all of the Warrants and allotment and issue of the Warrant Shares.*
- (4) *Three Directors hold a total of 6,986,586 Shares and their Shares are not considered to be held by the public.*
- (5) *So far as the shareholdings of public shareholders are concerned, the figures stated above are those to the best knowledge of eSun.*

No placee is expected to become a substantial shareholder (as defined in the Listing Rules) as a consequence of the Placing.

REASONS FOR AND BENEFITS OF THE PLACING

The Directors consider that the Placing will strengthen the capital base of eSun. It is estimated that the net proceeds of the allotment and issue of the Placing Shares will amount to approximately HK\$58 million. If all of the Warrants are exercised, it is estimated that the net proceeds of the allotment and issue of the Warrant Shares will amount to a further HK\$60 million. The proceeds from the allotment and issue of the Placing Shares and the Warrant Shares will be used to finance eSun's media and entertainment businesses and otherwise for the general working capital purposes of the eSun Group.

The Directors consider that the terms of the Placing are fair and reasonable and believe that the Placing is in the best interests of eSun and its shareholders as a whole.

EQUITY FUND RAISING CONDUCTED BY eSUN IN THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Within the 12 months immediately prior to the date of this announcement, eSun raised proceeds of approximately HK\$1,033,943,470 before expenses by way of a rights issue, with a total of 237 valid acceptances and applications received for a total of 303,700,007 rights Shares, which represented approximately 73.43% of the total number of 413,577,388 rights Shares available under the rights issue. As a result of the under-subscription of the rights Shares, the underwriter took up or procured the taking up of, the remaining balance of 109,877,381 rights Shares and settled the subscription monies for the rights Shares, details of which are set out in eSun's announcement dated 20 May 2008. As at the date of this announcement, the funds raised are held on current account, and have not been utilised. The vast majority of these funds are proposed to be used to finance further capital injection in the "Macao Studio City" project, and the remainder for general working capital of the eSun Group, as previously disclosed by eSun in its announcement dated 28 March 2008 in respect of that rights issue.

BUSINESS OF eSUN

The principal activities of the eSun Group comprise the development and operation of and investment in media, entertainment, music production and distribution, and advertising agency services, and development of a site in Cotai, Macau into a multi-use complex.

INCREASE IN PRICE AND TRADING VOLUME OF SHARES

eSun notes that, prior to the suspension of trading in its Shares as aforesaid, there was an increase in the price and trading volume of the Shares. Save in so far as it might have related to the subject matter of this announcement, the Directors are not aware of any reasons for such increases.

The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23, neither are the Directors aware of any matter discloseable under the general obligation imposed by Rule 13.09, save as regards the content of this announcement, which is or may be of a price sensitive nature.

The confirmations set out in the preceding two paragraphs are made by order of eSun, the board of Directors of which individually or jointly accept responsibility for the accuracy of such confirmations.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 10 December 2008 at the request of eSun pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 12 December 2008.

DEFINITIONS

The following defined terms are used in this announcement:

"Board"	the board of Directors of eSun;
"Directors"	the directors of eSun;
"eSun"	eSun Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange;
"eSun Group"	eSun and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Third Parties"	persons who are independent third parties not connected with eSun or any of their respective connected persons;
"Last Dealing Date"	10 December 2008, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement;
"Listing Rules" or "Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"LSD"	Lai Sun Development Company Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange, the controlling shareholder of which is eSun;
"Placing"	the placing of the Placing Shares, with Warrants attached, by the Placing Agent pursuant to the Placing Agreement;
"Placing Agent"	Chung Nam Securities Limited, a company licensed to conduct Type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance of Hong Kong;
"Placing Agreement"	the placing agreement dated 10 December 2008 entered into between eSun and the Placing Agent in relation to the Placing;
"Placing Shares"	the 120,000,000 new Shares to be allotted and issued pursuant to the Placing Agreement;
"PRC"	the People's Republic of China;
"Shares"	ordinary shares of HK\$0.50 each in the share capital of eSun;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;

"Warrant holders"	holders of the Warrants;
"Warrants"	an aggregate of 120,000,000 non-listed freely transferable warrants to be issued, on a 1-for-1 basis for each Placing Share issued, at no initial issue price, entitling the holder of each Warrant to subscribe for one Warrant Share at the exercise price of HK\$0.50 (subject to adjustment) at any time from the date of issue of each Warrant until 31 December 2011; and
"Warrant Shares"	new Share(s) which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants.

By Order of the Board
eSun Holdings Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 11 December 2008

As at the date of this announcement, the executive directors of eSun are Mr. Lam Kin Ngok, Peter, Miss Leung Churk Yin, Jeanny, Mr. Cheung Wing Sum, Ambrose and Mr. Low Kit Leong; the non-executive directors are Mr. Lien Jown Jing, Vincent, Mr. Lam Kin Ming and Madam U Po Chu; and the independent non-executive directors are Mr. Alfred Donald Yap, Mr. Low Chee Keong and Mr. Tong Ka Wing, Carl.